

# APPENDIX II

FRANDZEL ROBINS BLOOM & CSATO, L.C.  
1000 WILSHIRE BOULEVARD, NINETEENTH FLOOR  
LOS ANGELES, CALIFORNIA 90017-2427  
(323) 852-1000

1 Michael Gerard Fletcher (State Bar No. 070849)  
mfletcher@frandzel.com  
2 Craig A. Welin (State Bar No. 138418)  
cwelin@frandzel.com  
3 Hal D. Goldflam (State Bar No. 179689)  
hgoldflam@frandzel.com  
4 FRANDZEL ROBINS BLOOM & CSATO, L.C.  
1000 Wilshire Boulevard, Nineteenth Floor  
5 Los Angeles, California 90017-2427  
Telephone: (323) 852-1000  
6 Facsimile: (323) 651-2577

7 Attorneys for Receiver ROBB EVANS  
AND ASSOCIATES LLC  
8

9 **UNITED STATES DISTRICT COURT**  
10 **CENTRAL DISTRICT OF CALIFORNIA**  
11 **WESTERN DIVISION**

12  
13 FEDERAL TRADE COMMISSION,

14 Plaintiff,

15 v.

16 JASON CARDIFF, etc., et al.,

17 Defendants.  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Case No. 5:18-cv-02104-DMG-PLA

**IRS CLAIM UPDATE TO THE  
RECEIVER'S SUMMARY  
ACCOUNTING WITH  
ALLOCATIONS**

Date: September 17, 2021

Time: 9:30 a.m.

Place: Via Zoom

Courtroom 8C,  
350 West 1st St.

Judge: Hon. Dolly M. Gee

FRANZEL ROBINS BLOOM & CSATO, L.C.  
1000 WILSHIRE BOULEVARD, NINETEENTH FLOOR  
LOS ANGELES, CALIFORNIA 90017-2427  
(323) 852-1000

1           **TO: THE HONORABLE DOLLY M. GEE, JUDGE OF THE UNITED**  
2 **STATES DISTRICT COURT.**

3  
4           The Receiver filed a summary accounting with this Court on September 10,  
5 2021 [Doc. # 654]<sup>1</sup> which included an amended claim filing by the IRS in the  
6 amount of \$2,787,989.73 against Eunjung and Jason Cardiff. The IRS initially filed  
7 a claim with the Receiver against them in the amount \$64,232.36. The IRS claimed  
8 tax liens and priorities for payment.

9           **Further Amended IRS Claim**

10          When the Receiver filed the Summary Accounting on Friday, September 10,  
11 2021, the Receiver served the IRS with it. And, the Receiver initiated a discussion  
12 with the IRS over its amended \$2,787,989.73 claim.

13          Late on Wednesday (9/15/21) the IRS provided to the Receiver a further  
14 amendment to the IRS claim, Amendment No. 2 (attached hereto as Exhibit 1). To  
15 address the issues noted by the Receiver in the Summary Accounting and in the  
16 Receiver's 9/10/21 filing [Doc. # 654], and in the discussions that the Receiver had  
17 with the IRS, the IRS has now lowered its claim to the previous amount ---  
18 \$64,232.36 --- and decided to forgo claiming the higher, \$2,787,989.73 claim  
19 amount.

20          The Receiver believes that the Court should be apprised of this development  
21 before the continued status conference on Friday, September 17, 2021. The Receiver  
22 also believes that this IRS action will have a significant, and likely simplifying,  
23 effect on the receivership estate, which the Receiver is now evaluating.

24          / / /

25  
26          <sup>1</sup> The Court initially required the Receiver to file accountings by September 8, 2021. But,  
27 because of a serious illness and emergency hospitalization, the Receiver's filings in that regard  
28 have been delayed [Doc. # 652]. The Court accordingly extended the deadline for the Receiver's  
filings to September 19, 2021 [Doc. # 653]. The Receiver was able, however, to complete the  
summary accounting and get it on file with the Court.

FRANDZEL ROBINS BLOOM & CSATO, L.C.  
1000 WILSHIRE BOULEVARD, NINETEENTH FLOOR  
LOS ANGELES, CALIFORNIA 90017-2427  
(323) 852-1000

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Dated: September 16, 2021

Respectfully submitted,

FRANDZEL ROBINS BLOOM & CSATO, L.C.  
MICHAEL GERARD FLETCHER  
CRAIG A. WELIN  
HAL D. GOLDFLAM

By: /s/ Michael Gerard Fletcher  
MICHAEL GERARD FLETCHER  
Attorneys for Receiver ROBB EVANS &  
ASSOCIATES LLC

# EXHIBIT 1

## INTERNAL REVENUE SERVICE

FAX TRANSMISSION  
Cover SheetDate: September 15, 2021**To: Anita Jen**Address/Organization: Robb Evans & AssociatesFax Number: (818) 768-8802 Office Number: \_\_\_\_\_**From: Brown Leonard S Jr**

Address/Organization: \_\_\_\_\_

Fax Number: (855) 863-4354 Office Number: \_\_\_\_\_Number of pages:  Including cover page**Subject:** Re: Amended Cardiff Proof of Claim

Hi Anita,

I have attached an amended proof of claim to remove the \$1.6 million proposed tax assessment I included on the prior claim. Please confirm you have received it.

Thank you,

Leonard Brown  
Bankruptcy Specialist  
300 N Los Angeles St MS 5022  
Los Angeles, CA 90012  
Phone: 213-372-4287  
Fax: 855-863-4354

This communication is intended for the sole use of the individual to whom it is addressed and may contain confidential information that is privileged, confidential and exempt from disclosure under applicable law. If you are not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited by the provisions of the Internal Revenue code. If you have received this communication in error, please contact the sender immediately by telephone. Thank you.

# Proof of Claim for Internal Revenue Taxes

Department of the Treasury/Internal Revenue Service

Form **4490**  
(Rev. 2-2005)

Docket Number	18-02104
Kind of Proceeding	RECEIVERSHIP

In the \_\_\_\_\_ District Court  
for the \_\_\_\_\_ Western Division**In the Matter of:**CARDIFF EUNJUNG CARDIFF JASON  
870 N. MOUNTAIN AVE, SUITE 115  
UPLAND, CA 91786

Date of Petition	11/08/2018
Creditor Number	

Amendment No. 2 to Proof of Claim dated 09/01/2021

The undersigned officer of the Internal Revenue Service, a duly authorized agent of the United States in this behalf, being duly sworn, deposes and says that:

- CARDIFF EUNJUNG CARDIFF JASON \_\_\_\_\_ is justly and truly indebted to the United States in the amount of \$64,232.36 with interest and penalty as shown below.
- This debt is for taxes due under the Internal Revenue laws of the United States as follows:

Taxpayer ID Number	Kind of Tax	Period	Tax Due	Penalty Due	Interest Due	Date Tax Lien Arose
	WT-FICA	12/31/2011	\$15,616.56	\$6,252.85	\$5,213.01	02/13/2012
	BENE PLAN	12/31/2012	\$18,895.63	\$0.00	\$4,163.88	02/15/2016
	CORP INC	12/31/2013	\$0.00	\$1,170.00	\$105.05	10/08/2014
	BENE PLAN	12/31/2013	\$9,448.86	\$0.00	\$1,741.39	02/15/2016
	MISC PEN	12/31/2016	\$0.00	\$1,459.93	\$74.30	08/26/2019
			\$43,961.05	\$8,882.78	\$11,388.53	

- No part of this debt has been paid, and it is now due and payable to the United States Treasury at the Office of Internal Revenue Service;
- Except for the statutory tax liens that arose on the above dates, the United States does not hold, to the deponent's knowledge or belief, any security for this debt;
- No note or other negotiable instrument has been received for this debt or any part of it, nor has any judgment been rendered with respect to this debt; and
- This debt has priority and must be paid in full in advance of distribution to creditors to the extent provided by law. See 31 U.S.C. Section 3713(a). Any executor, administrator, or other person who fails to pay the claims of the United States in accordance with its priority may become personally liable for this debt under 31 U.S.C. Section 3713(b).

(Notarize or witness if court requires)

**Subscribed and Sworn to Before Me On**

Signature /s/ LEONARD BROWN		
Title Bankruptcy Specialist	ID Number 0845203	Telephone Number (213) 372-4287
Address: Internal Revenue Service Insolvency Group 7 300 North Los Angeles St 5022 Los Angeles, CA 90012		

Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

FRANDZEL ROBINS BLOOM & CSATO, L.C.  
1000 WILSHIRE BOULEVARD, NINETEENTH FLOOR  
LOS ANGELES, CALIFORNIA 90017-2427  
(323) 852-1000

**PROOF OF SERVICE (1)**

**FTC v. Jason Cardiff**  
**Case No. 5:18-cv-02104**

I, the undersigned, declare and certify as follows:

I am over the age of eighteen years, not a party to the within action and employed in the County of Los Angeles, State of California. I am employed in the office of Frandzel Robins Bloom & Csato, L.C., members of the Bar of the above-entitled Court, and I made the service referred to below at their direction. My business address is 1000 Wilshire Boulevard, Nineteenth Floor, Los Angeles, CA 90017-2427.

On **September 16, 2021**, I served true copy(ies) of the **IRS CLAIM UPDATE TO THE RECEIVER'S SUMMARY ACCOUNTING WITH ALLOCATIONS** the original(s) of which is(are) affixed hereto. to the party(ies) on the attached service list.

**SEE ATTACHED SERVICE LIST**

- ☒ **BY CM/ECF NOTICE OF ELECTRONIC FILING:** I electronically filed the document(s) with the Clerk of the Court by using the CM/ECF system. Participants in the case who are registered CM/ECF users will be served by the CM/ECF system. Participants in the case who are not registered CM/ECF users will be served by mail or by other means permitted by the court rules.
- ☒ **BY MAIL:** I placed the envelope for collection and mailing at Los Angeles, California. The envelope was mailed with postage fully prepaid. I am readily familiar with this firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California, in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than 1 day after date of deposit for mailing in affidavit.
- ☒ **BY FAX TRANSMISSION:** I caused said document(s) to be transmitted by facsimile. The telephone number of the sending facsimile machine was (323) 651-2577. The name(s) and facsimile machine telephone number(s) of the person(s) served are set forth in the service list. The document was transmitted by facsimile transmission, and the sending facsimile machine properly issued a transmission report confirming that the transmission was complete and without error.
- ☒ **BY E-MAIL OR ELECTRONIC TRANSMISSION:** I caused said document(s) to be transmitted by electronic mail. This service may be based on a court order or on an agreement among the parties to accept service by E-Mail. The name(s) and e-mail addresses of the person(s) served are set forth in the service list. The document was transmitted by electronic transmission and without error.

1 I declare under penalty of perjury under the laws of the State of California  
2 and the United States of America that the foregoing is true and correct.

3 Executed on **September 16, 2021**, at Los Angeles County, California.

4  
5 /s/ Sandra Young King

Sandra Young King

6 sking@frandzel.com  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

FRANDZEL ROBINS BLOOM & CSATO, L.C.  
1000 WILSHIRE BOULEVARD, NINETEENTH FLOOR  
LOS ANGELES, CALIFORNIA 90017-2427  
(323) 852-1000

FRANDZEL ROBINS BLOOM & CSATO, L.C.  
1000 WILSHIRE BOULEVARD, NINETEENTH FLOOR  
LOS ANGELES, CALIFORNIA 90017-2427  
(323) 852-1000

**SERVICE LIST**  
**FTC v. Jason Cardiff**  
**Case No. 5:18-cv-2104**

**Electronic Mail Notice List**

- **Elizabeth J Averill**  
eaverill@ftc.gov
- **Peter Bisno**  
pbisno@bisnolaw.com
- **Michael Anthony Brown**  
tbrown@spertuslaw.com
- **Stephen R Cochell**  
srcochell@gmail.com
- **Christopher David Crowell**  
ccrowell@hrhlaw.com
- **Michael Gerard Fletcher**  
mfletcher@frandzel.com,sking@frandzel.com
- **Hal D Goldflam**  
hgoldflam@frandzel.com,dmoore@frandzel.com
- **Allan Howard Grant**  
allan@grants-law.com
- **Dolly Kae Hansen**  
dolly@spertuslaw.com
- **Lindsey M Hay**  
lhay@spertuslaw.com
- **Inter/Media Time Buying Corporation**  
ccrowell@hrhlaw.com
- **Michael W Kinney**  
mkinney@lblglaw.com
- **Shira D Modell**  
smodell@ftc.gov
- **Stacy Rene Procter**  
sprocter@ftc.gov
- **James A Prunty**  
jprunty@ftc.gov
- **Edwin Rodriguez**  
erodriguez@ftc.gov

FRANDZEL ROBINS BLOOM & CSATO, L.C.  
1000 WILSHIRE BOULEVARD, NINETEENTH FLOOR  
LOS ANGELES, CALIFORNIA 90017-2427  
(323) 852-1000

- 1 • **Elizabeth Jones Sanger**  
2 esanger@ftc.gov,csands@ftc.gov
- 3 • **James W Spertus**  
4 jspertus@spertuslaw.com,sluecf@spertuslaw.com
- 5 • **Jesse James Thaler**  
6 jessejthaler@gmail.com
- 7 • **Gerrick M Warrington**  
8 gwarrington@frandzel.com,sking@frandzel.com
- 9 • **Craig A Welin**  
10 cwelin@frandzel.com,bwilson@frandzel.com
- 11 • **James D White**  
12 jdw@jamesdwhitelaw.com
- 13 • **Williams, Jett**  
14 iwilliams@henkelawfirm.com
- 15 • **Henke. Charlie**  
16 chenke@henkelawfirm.com

13 **VIA FACSIMILE TRANSMISSION:**

- 14 • **Leonard S. Brown**  
15 (855) 863-4354
- 16 • **Amelia Puertas-Samara**  
17 (916) 319-1692

18 **VIA EMAIL:**

- 19 • **Leonard S. Brown**  
20 leonard.s.brown@irs.gov
- 21 • **Amelia Puertas-Samara**  
22 amelia.puertas-samara@edd.ca.gov
- 23 • **Jared Bissell**  
24 Jared.Bissell@troutman.com

FRANDZEL ROBINS BLOOM & CSATO, L.C.  
1000 WILSHIRE BOULEVARD, NINETEENTH FLOOR  
LOS ANGELES, CALIFORNIA 90017-2427  
(323) 852-1000

**VIA UNITED STATES MAIL:**

Leonard S. Brown  
Bankruptcy Specialist  
Internal Revenue Service  
Insolvency Group 7  
300 North Los Angeles St, #5022  
Los Angeles, CA 90012

Amelia Puertas-Samara  
Senior Tax Compliance Representative  
Collection Division Bankruptcy Group,  
MIC 92E  
Tax Branch, State of California  
Employment Development Department  
PO Box 826880 MIC 92S  
Sacramento. CA 94280-0001